

## Legend for Table: Features of Proposals to Implement the CPUC Renewables Policy

### 1. Program Obligation

Program Based on : A minimum renewables purchase requirement (MRPR) standard, or surcharge-funded production credits, can be denominated in either energy units (kWh) or capacity units (kW).

MRPR with Full Implementation : The proposed MRPR standard (for those proposals containing an MRPR standard), which in all cases is a percentage of a defined block of electricity that must be renewable. With full implementation means that, for those proposals that permit a two-phase implementation (initially by the CPUC, subsequently by the legislature), this column indicates the level of the proposed standard with the program fully enacted.

MRPR Applied to : The category(ies) of electric energy or capacity that the MRPR standard is applied to, for each entity that is required to meet the obligation.

1998 Renewables Expected, GWh : The amount of renewable electric energy that is calculated to be obligated by the proposed MRPR standard in 1998. For proposals that allow for a phased-in implementation, this is the amount of energy that would be required assuming full implementation of the standard in 1998. CEC projected Calif. electric sales to end users for 1998: \_\_\_\_\_ GWh.

MRPR with Partial Implementation : For those proposals that provide for a two-phase implementation, beginning with enactment by the CPUC for the regulated electricity market, and following with state-wide implementation, this column indicates the level of the standard proposed for enactment during the first phase of the program.

Increase in MRPR 1998 - 2000 : The MRPR proposed for the first year of the program may or may not be adjusted during the first several years of the program. In all cases, load growth leads to an increase in the quantity of renewable energy required.

Specified Technology Bands : Some of the proposals include special-qualification sub-bands within the MRPR in order to guarantee minimum levels of specific technologies or classes of technologies. Band requirements, like the overall MRPR, must be individually complied with.

### 2. Program Eligibility

Hydro Eligibility : All proposals define biomass, geothermal, solar electric (thermal and photovoltaic), and wind technologies as qualifying renewables, in accordance with the CPUC restructuring decision. Some proposals include hydroelectric generation in the mix of eligible generating options, others do not.

Eligibility of Non-Calif. Renewables : Proposals may or may not restrict renewable energy generated from out-of-state sources from participation in the program.

Eligibility of Utility Renewables : Utility-owned renewables, mainly geothermal and, if included, hydro, may or may not be eligible for participation in the program.

Eligibility of Existing QFs : Existing QF renewables may or may not be eligible for participation in the program.

Eligibility of UDC Dist. Renewables : Distributed renewables owned by a UDC or its affiliates may or may not be eligible for participation in the program. Distributed generation is small-scale power installed in the distribution system or on a customer's site. It can capture T&D benefits and/or serve local loads.

Eligibility of Power Gen. for On-Site Use : Renewable energy that is used by the producer for on-site applications may or may not be eligible to receive RECs or production credits. Surplus or net power sold by self-generators to others is eligible to receive credits in all of the proposed programs. The entries in this column pertain to the eligibility of renewable power that is used on-site, and not sold to a distributor or user.

Eligibility of Hybrids : Hybrid generators, which use both renewable and non-renewable energy sources, require special rules to determine qualification for RECs or production credits. Some proposals give full renewable credit to hybrids that derive more than 75% of their energy from renewables, while others give only pro-rated credit. For hybrids that derive less than 75% of their energy from renewables, some proposals give pro-rated credit, others give no credit.

### 3. Program Administration

**Application of Program :** Renewables support programs can be designed for state-wide application, or for application only to electric services providers subject to CPUC regulation.

**Implementation in Phases Permitted :** A renewables support program can be imposed by the CPUC only on electric services providers under its jurisdiction. Application of the program to unregulated utilities will require legislative action. Some proposals allow for a two-phase implementation of the renewables program, first by the CPUC, then by the legislature. Some of the proposals are designed for state-wide implementation only. One proposal is designed for full implementation by the CPUC, without the need for legislative action. Of the proposals that permit a two-phase implementation, one proposal calls for program cancellation if state-wide implementation is not achieved, others would maintain the program at the CPUC implementation level if legislation is not forthcoming.

**Administrator (full implementation) :** Various state or private agencies are proposed to administer the programs. The proposed administrator listed in the table assumes full implementation for those proposals that provide for a two-phase implementation.

**Funding Mechanism :** A renewables support program is expected to be more costly than a restructured market lacking a renewables program. The cost of the renewables program can be rolled into the price of electricity, or it can be assessed as a line-item or surcharge to electricity customers.

**Program Lifetime :** The renewables program may be imposed permanently (with no sunset date), imposed for a fixed term, or imposed for a limited term subject to program review and reauthorization.

**Period to Determine Compliance :** Compliance with program requirements can be determined over various periods of time, with a true-up period allowed or not allowed.

**Commercialization Support :** Proposals may or may not include provisions for assisting emerging renewable energy technologies that have moved beyond the RD&D stage, but whose cost is not yet competitive with commercially mature renewables.

### 4. Renewable Credits and Markets

**Basis for Initial MRPR :** Most of the proposals have, as one of their objectives, the preservation (in some form) of the existing renewable energy industry in the state. This category shows the basis or objective for the setting of the proposed initial MRPRs by the various proposers, for proposals including an MRPR.

**Renewable Credits :** The various proposals contain a variety of different types of renewable energy credits, including: BECs (biomass energy credits), GECs (greenhouse environmental credits), ETCs (emerging technology credits), production credits, RCCs (renewable capacity credits), and RECs (renewable energy credits).

**Contract Terms for Credits :** Sales of renewables credits can be for contract terms ranging from spot market to long-term commitments. Some of the proposals specify the contract terms they foresee for credits, other proposals do not address this issue.

**Credits from QFs with Existing PPAs :** Many existing renewable QFs have long-term power purchase agreements (PPAs) with utilities. Assignment of credits associated with renewable energy sold under existing long-term PPAs may be to the generator or to the purchaser. Some of the proposals propose to assign credits to the buyer for the entire terms of the contracts. Others propose to assign the credits to the buyer when the energy is sold under the fixed-price schedules (FPS) in the old ISO4 contracts, and to the generator when the energy is sold under SRAC rates.

**Cost Cap :** The cost of compliance with the renewables program requirements may or may not be capped. This category shows the proposed cap on the annual cost of program compliance, if the cost is capped. For the adjunct proposals, the category shows the cap on the cost of the adjunct program only.

**Compliance Penalties :** Penalties for non-compliance with the renewables program may or may not be included in individual proposals.

Use of Penalty Funds : Proposals may or may not specify how to use penalty funds collected, in cases where the proposals include penalty fund collection provisions.